



Funded by the  
European Union



EU4 YOUTH DAYS

2025



#EU4Youth

# SOCIAL ENTREPRENEURSHIP IN THE EASTERN PARTNERSHIP COUNTRIES TODAY

Nazareth Seferian (Board Member, Impact Hub Yerevan)

# Contents

- **What are social enterprises?**
  - Entrepreneurship *for* impact vs. entrepreneurship *with* impact
- **What is happening in social entrepreneurship in EaP countries?**
  - Opportunities
  - Concerns
- **Recommendations to stakeholders**

# What are social enterprises?

- EC: “social enterprise” covers the following types of business
  - Social or societal objective of the common good is the reason for the commercial activity, (often → social innovation)
  - Profits mainly reinvested to achieve social objective
  - Method of organisation or ownership system reflects enterprise’s mission (democratic, participatory principles, social justice)

[https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises_en)

# What are social enterprises?

- **Social enterprises operate mostly in the following 4 fields**
  - Work integration
  - Personal social services
  - Local development of disadvantaged areas
  - Other (incl. env. protection, culture, etc.)

[https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises_en)

# Social enterprise case study: Aregak Bakery and Café (Gyumri, Armenia)



- **Core mission** – improve lives of young people with disability, facilitate social integration
- **Social impact** –
  - Employs young people with Down's Syndrome, Cerebral Palsy
  - Direct contact with customers
- **Business side** –
  - High quality café and bakery
  - Middle-to-upper income segments



# Social enterprise case study: Aregak Bakery and Café (Gyumri, Armenia)



- Enterprise *for* impact –
  - Employs more people than needed
  - Does not maximise profits
  - Profits reinvested into business or charity arm of organisation
  - Business growth → more impact
- Enterprise *with* impact –
  - Commercial calculations top priority
  - Impact a strategic component, but *not* core to business activity
  - Business growth → more impact



# Social Entrepreneurship in EaP countries



- **Context**

- Ambiguities in definition – imperfect regulation
- Challenges in funding
- Impact/non-profit stakeholders transitioning to business
- High engagement of women and youth
- High engagement of regions

# Social Entrepreneurship in EaP countries



- **Opportunities**
  - Strong engagement through EU-funded projects
  - Triple impact
  - Broader engagement with society

# Social Entrepreneurship in EaP countries: Opportunities



Strong engagement through EU-funded projects

Two examples of recent, impactful projects (qualitative changes in ecosystem):

- Collaborate for Impact – 5 EaP countries
- School Student Companies – 4 EaP countries

# Social Entrepreneurship in EaP countries: Opportunities



## Collaborate for Impact

- Grew investor communities
- Established institutional funding mechanisms for SEs in AM, GE, UA
  - Not project based
  - Contributions from individuals, businesses, foundations
- Laid strong foundation for impact investment



#EU4Youth

Funded by the  
European Union

# Social Entrepreneurship in EaP countries: Opportunities



## EU4Youth: School Student Companies

- Engaged with school system
- Increased visibility of SE concept
- Increased visibility in regions

# Social Entrepreneurship in EaP countries: Opportunities



Triple impact (social / economic / values)

- Engagement with broad range of government stakeholders
- Engagement with private sector (procurement, sustainability/inclusion policies)
- Engagement with diaspora

# Social Entrepreneurship in EaP countries: Opportunities



## Broader engagement with society

- Awareness raising among customers
  - Beyond the “usual suspects”
- Awareness raising among investors, private sector

# Social Entrepreneurship in EaP countries

- **Concerns**
  - Need to develop business skills/capacities
  - Low scalability of SEs
  - Low impact measurement
  - Policy making vs. unintended consequences

# Social Entrepreneurship in EaP countries: Concerns

## Need to develop business skills/capacities

- Social entrepreneurs coming from non-profit world
- Project-based incubation/acceleration
  - The “usual suspects” keep participating
  - Interested in training when linked to grant opportunities
  - More comfortable working with grants than profit

# Social Entrepreneurship in EaP countries: Concerns

## Low scalability of SEs

- Social enterprises remain small
  - Lack of financing to grow
    - Small scale → lack of interest from investors
  - Lack of mindset for growth (comfort zone)
  - Limitations of employment model → no “beneficiary flow”

# Social Entrepreneurship in EaP countries: Concerns

## Low impact measurement

- No outcome metrics, no impact reports
  - Unable to prove impact to investors/customers
  - New impact funds unable to measure fund-level impact
  - “Impact washing”

# Social Entrepreneurship in EaP countries: Concerns



## Polymaking vs. unintended consequences

- Complicated political situation in (almost) all EaP countries
- Policymakers continue to misunderstand SE
- Existing policies/regulations → unintended consequences, e.g. Moldova

# Recommendations for stakeholders

## Need to develop business skills/capacities

- Bring entrepreneurs from business to SE world (MBA programmes, etc.)
- Go beyond project-based incubation/acceleration
  - Better dissemination of project-based outputs, educational material
  - Support new funds in EaP countries with OpEx, incubation/acceleration costs

# Social Entrepreneurship in EaP countries: Concerns



## Low scalability of SEs

- European examples of SE scaling
  - SE education and investor education
- Institutional (not project-based) funding
  - Support new funds in EaP countries with OpEx, fundraising etc.

# Social Entrepreneurship in EaP countries: Concerns



## Low impact measurement

- Translate logframes to impact measurement
  - Include outcome measurements and train implementing partners
- Support institutional funds with costs and capacity building

# Social Entrepreneurship in EaP countries: Concerns

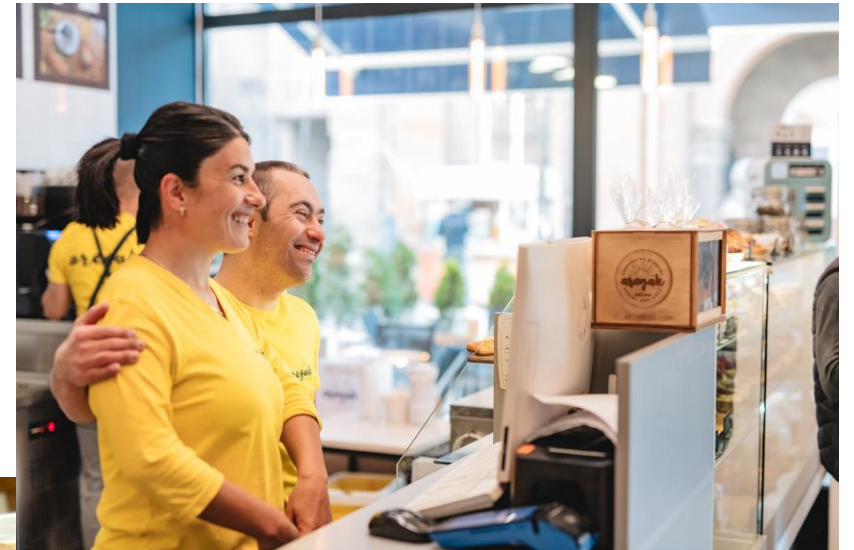
## Policymaking vs. unintended consequences

- Go beyond “dogmatic” inclusion of policy component in projects
  - Encourage “new players” – municipalities, Central Bank, etc.
- Encourage exposure of policymakers to European SEs
- Give maximum flexibility to local partners to navigate local policy situation

# Conclusion



- **European Union** is a **foundational stakeholder and investor** in EaP social entrepreneurship sector
- **Strong local capacity** now exists but further engagement is needed
- Social entrepreneurship allows a **triple impact** – social, economic, and value!





Thank you!

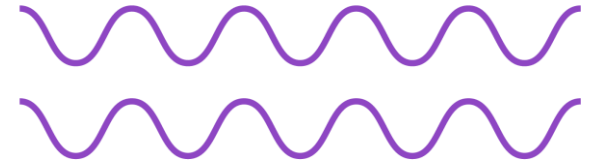


Funded by the  
European Union

#EU4Youth



Funded by the  
European Union



EU4 YOUTH DAYS

2025

#EU4Youth, 2025